

**THE CAUSES AND ECONOMIC IMPACT OF
HUMAN MIGRATION**

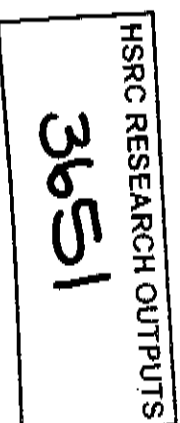
*Case studies of migration from the Eastern Cape,
Northern Cape and Limpopo to the nine major
cities in South Africa*

by

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Causes and economic impact of human migration

Outline of the two presentations

- **Study overview (Kok)**
 - Aims and objectives
 - Context
- **Key migration findings (Kok)**
- **Economic implications (Aliber)**

Causes and economic impact of human migration

Study overview

Aims and objectives (1)

- **Analyse patterns of human migration from the Eastern Cape, Northern Cape and Limpopo to the nine major cities in SA**
- **Determine the educational and skills profiles of migrants**
- **Apply the best economic and non-economic model of human migration**

Causes and economic impact of human migration

Study overview

Aims and objectives (2)

- **Analyse and model place-related expectations of migrants who considered moving to the nine major cities (during the HSRC Migration Survey of 2001–02)**
- **Analyse perceived economic and service-related opportunities provided by the areas of origin and destination**

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Study overview

Context

- The Eastern Cape and Limpopo clearly experienced the greatest *net* migration losses in absolute terms over two periods (1992–1996 and 1996–2001)
- Northern Cape *out*-migration rates (of 4,4% and 6,7%) were the highest of all nine provinces and also represented the highest increase over the same two periods

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Key migration findings

- **Migration patterns and trends**
- **Who are these migrants?**
- **To where do people plan to migrate?**
- **Why do people plan to migrate?**

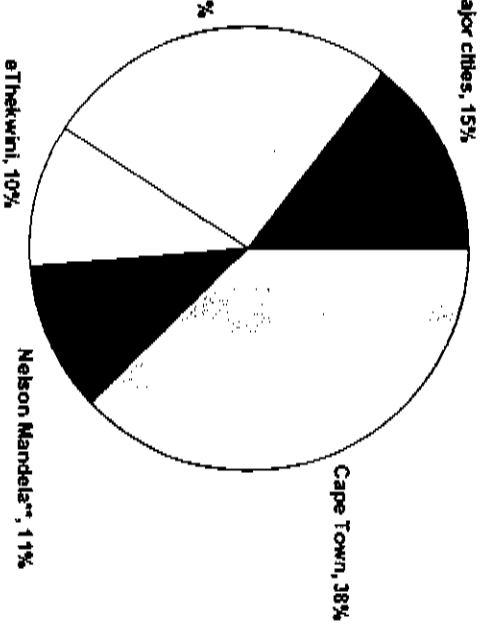
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Key migration findings

Migration patterns & trends (1)

From the Eastern Cape to the nine major cities:

- City of Cape Town: 38 % -- increased by 27 % since 1992-1996
- Nelson Mandela: 11 % -- increase: 7 %
- eThekweni: 10 % -- increase: 133 %
- Gauteng metros: 26 % -- increase: 89 %
 - Ekurhuleni: 10 % -- increase: 62 %
 - Johannesburg: 12 % -- increase: 110 %
 - Tshwane: 4 % -- increase: 118 %
- Other major cities: 15 % -- increase: 9 %
 - Buffalo City: 11 % -- increase: -6 %
 - Mangaung: 2 % -- increase: 75 %
 - Msunduzi: 1 % -- increase: 515 %



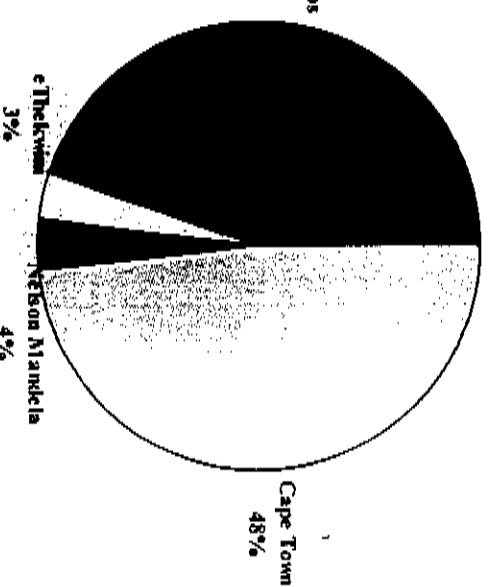
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Key migration findings

Migration patterns & trends (2)

From Northern Cape to the nine major cities:

- City of Cape Town: 41 % -- increased by 46 % since 1992-1996
- Nelson Mandela: 3 % -- increase: 29 %
- eThekweni: 3 % -- increase: 153 %
- Gauteng metros: 38 % -- increase: 74 %
 - Ekurhuleni: 10 % -- increase: 86 %
 - Johannesburg: 14 % -- increase: 89 %
 - Tshwane: 13 % -- increase: 54 %
- Other major cities: 16 % -- increase: 9 %
 - Buffalo City: 1 % -- increase: 97 %
 - Mangaung: 14 % -- increase: 50 %
 - Msunduzi: 1 % -- increase: 317 %



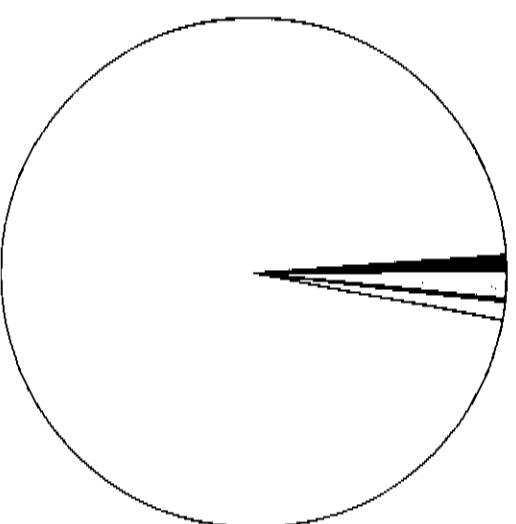
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Key migration findings

Migration patterns & trends (3)

From Limpopo to the nine major cities :

- City of Cape Town: 2 % -- increased by 342 % since 1992-1996
- Nelson Mandela: < 1 % -- increase: 297%
- eThekweni: 1 % -- increase: 202 %
- Gauteng metros: 96 % -- increase: 54 %
 - Ekurhuleni: 28 % -- increase: 46 %
 - Johannesburg: 31 % -- increase: 76 %
 - Tshwane: 36 % -- increase: 45 %
- Other major cities: 1 % -- increase: 265 %
 - Buffalo City: <1 % -- increase: 274 %
 - Mangaung: 1 % -- increase: 187 %
 - Msunduzi: <1 % -- increase: 581 %



□ Cape Town ■ Nelson Mandela □ eThekweni □ Gauteng metros ■ Other major cities

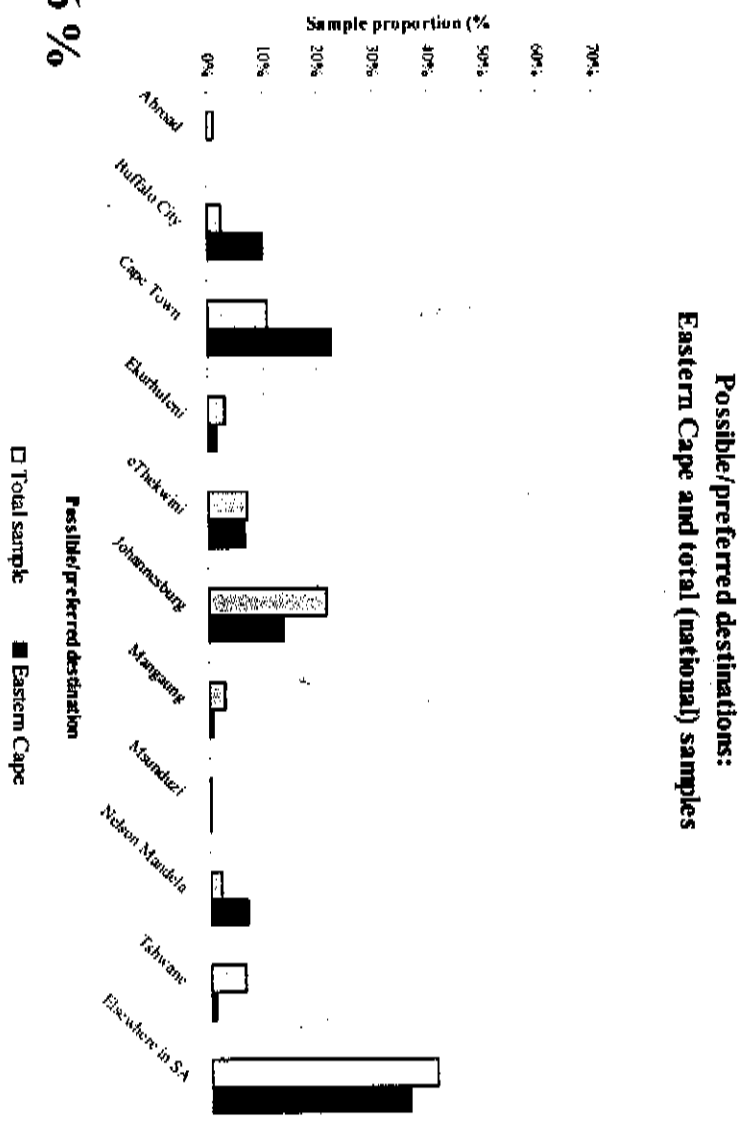
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Key migration findings

To where did people say they planned to migrate during 2001/02-2006/07? (1)

From the Eastern Cape

- **Abroad: 0 %**
- **Cape Town: 23 %**
- **Nelson Mandela: 7 %**
- **eThekweni: 7 %**
- **Gauteng metros: 16 %**
 - Ekurhuleni: 2 %
 - Johannesburg: 14 %
 - Tshwane: 1 %
- **Other major cities: 11 %**
 - Buffalo City: 10 %
 - Mangaung: 1 %
 - Msunduzi: < 1 %
- **Elsewhere in South Africa: 36 %**



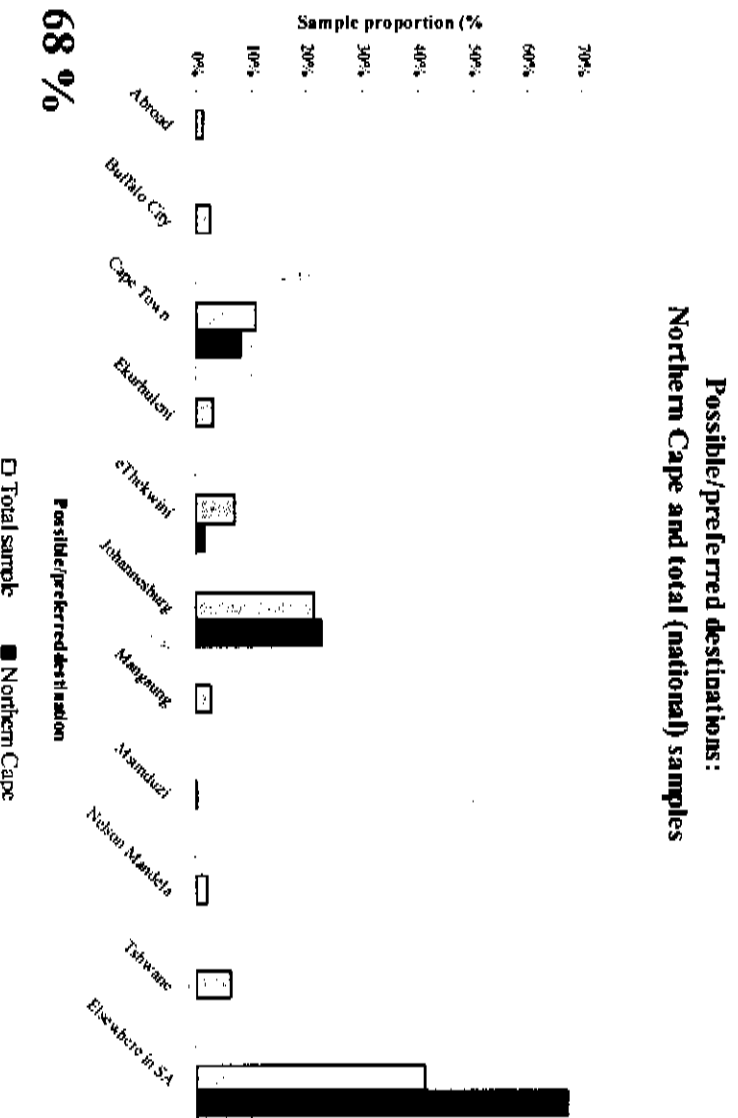
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Key migration findings

To where did people say they planned to migrate during 2001/02-2006/07? (2)

From the Northern Cape

- Abroad: 0 %
- Cape Town: 8 %
- Nelson Mandela: 0 %
- eThekweni: 2 %
- Gauteng metros: 23 %
 - Ekurhuleni: 0 %
 - Johannesburg: 23 %
 - Tshwane: 0 %
- Other major cities: 0 %
 - Buffalo City: 0 %
 - Mangaung: 0 %
 - Msunduzi: 0 %
- Elsewhere in South Africa: 68 %



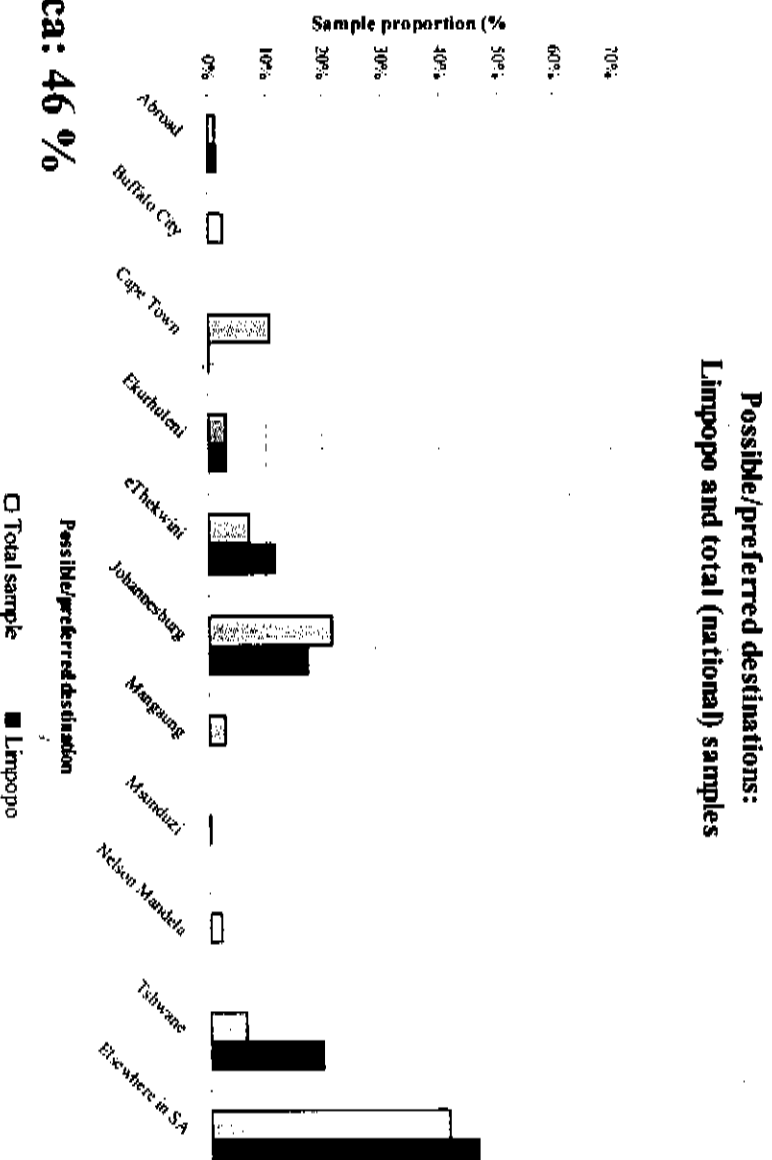
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Key migration findings

To where did people say they planned to migrate during 2001/02-2006/07? (3)

From Limpopo

- **Abroad: 2 %**
- **Cape Town: < 1 %**
- **Nelson Mandela: 0 %**
- **eThekweni: 12 %**
- **Gauteng metros: 40 %**
 - **Ekurhuleni: 3 %**
 - **Johannesburg: 17 %**
 - **Tshwane: 20 %**
- **Other major cities: 0 %**
 - **Buffalo City: 0 %**
 - **Mangaung: 0 %**
 - **Msunduzi: 0 %**
- **Elsewhere in South Africa: 46 %**

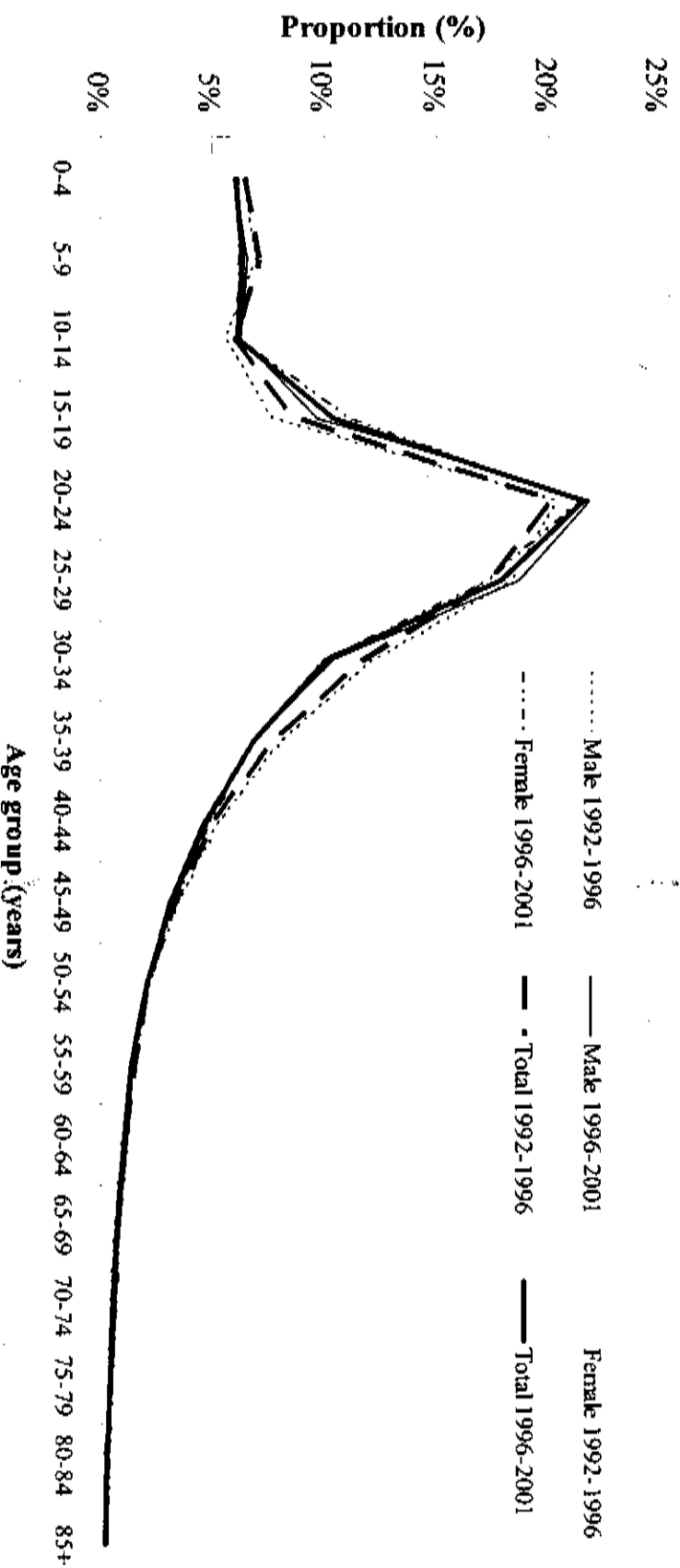


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Key migration findings

Who are these migrants? (1)

Migrants from Eastern Cape, Northern Cape and Limpopo to the nine major cities (1992-1996 & 1996-2001): Age-sex structure



*1996-2001 proportions for the age group 0-4 years have been extrapolated from 1992-1996

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Key migration findings

Who are these migrants? (2)

(From the empirical evidence and modelling results)

- Predominantly young adults, mainly 15-34 years old, often with their children
- Migrants tend to be persons with more risk-taking abilities and efficacy (the ability 'to get things done') than non-migrants – but see the *Mail & Guardian Online* (21 August 2005) report on research in Cape Town on why poor people turn out not to be entrepreneurs:
 - they lack (venture) capital and have no room for mistakes
 - *not* because of an inherent inability to become 'their own bosses'

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Key migration findings

Why do people plan to migrate? (1)

(From the migration literature)

- While economic factors are the key underlying (root) causes of migration, social and other non-economic factors (e.g. differential expectations about what different areas have to offer) are the 'primary determinants' of migration intentions
- Potential migrants tend to be dissatisfied with their lives at present

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Key migration findings

Why do people plan to migrate? (2)

(From the empirical evidence and modelling)

- **Migration is caused primarily by unmet expectations over a spectrum of factors**
- **Higher expectations for an alternative place of residence are likely to lead to an intention of moving to that other place**

Causes and economic impact of human migration

Key migration findings

Why do people plan to migrate? (3)

(From the empirical evidence and modelling)

- **Potential migrants are likely to take migration decisions in their own interests, i.e. not necessarily in the interests of their families**
- **Would-be migrants generally have access to social networks in the possible areas of destination and also have more information about these areas**

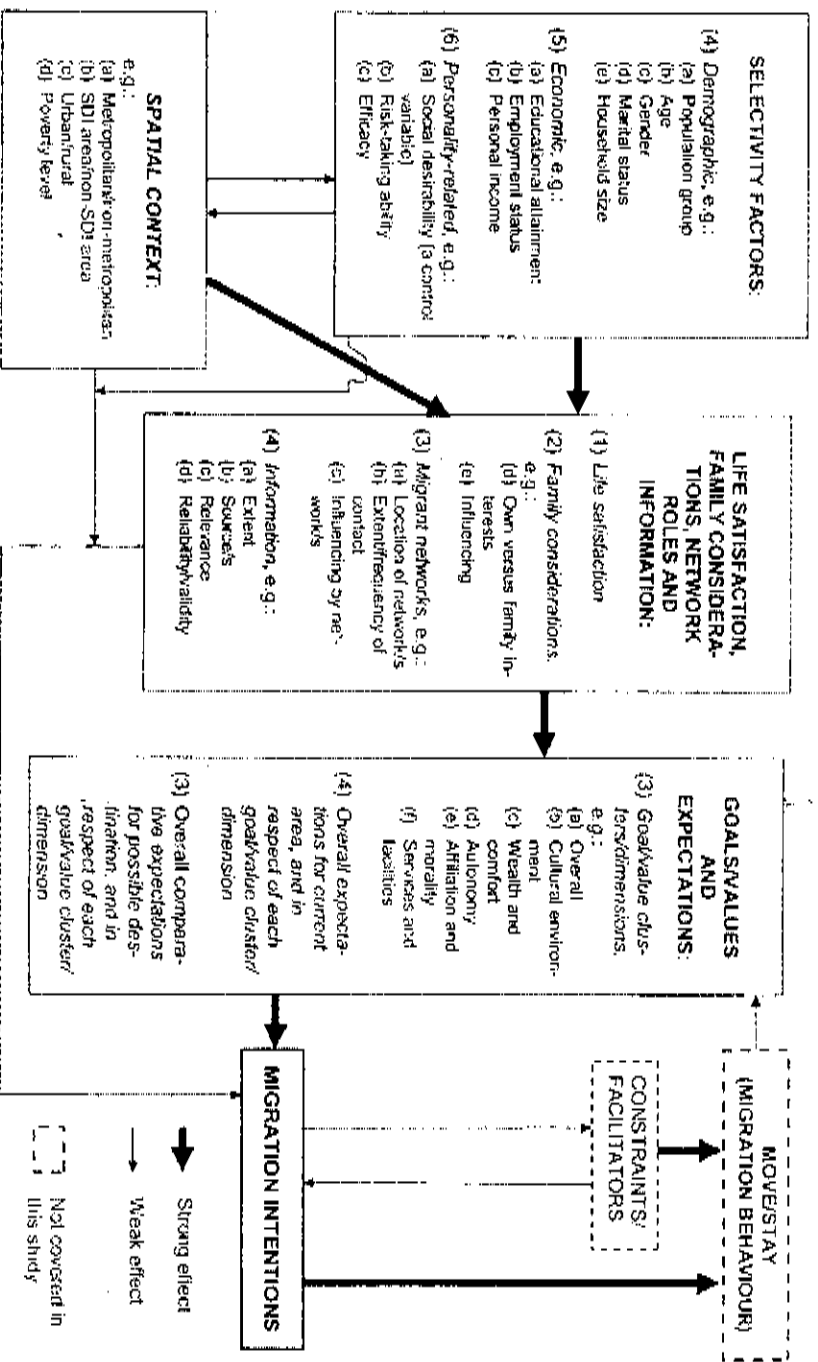
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Key migration findings

Why do people plan to migrate? (4)

(From the migration literature, empirical evidence and modelling results)

CONFIRMED FRAMEWORK FOR AN EXPECTANCY-BASED MODEL OF MIGRATION DECISION MAKING



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Key migration findings

Why do people plan to migrate? (5)

(From the modelling results)

- **Experiments with the model confirmed our conclusions from the literature that migration intentions are not particularly responsive to employment and service-related interventions**

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Key migration findings

Conclusion in respect of Migration

(From the literature and modelling results)

**It is very difficult to bring about
changes in human migration
patterns and trends!**

Causes and economic impact of human migration
Economic implications

Concerns inre economic impact

- **Strain on services in receiving (metropolitan) areas**
- **Sending provinces losing valuable human capital**
- **Migration to cities compounds the already high urban unemployment rate**

Causes and economic impact of human migration
Economic implications

Strain on services?

- Less than half of migration from 3 provinces to 9 cities is technically rural-to-urban
- Reverse migration = approx. 15% of migration
- Migration is partly motivated by dissatisfaction with present situation, including inre services
- For half of migration that is rural-to-urban, result is efficiency gains in service provision

Causes and economic impact of human migration
Economic implications

Sending provinces losing human capital? (1)

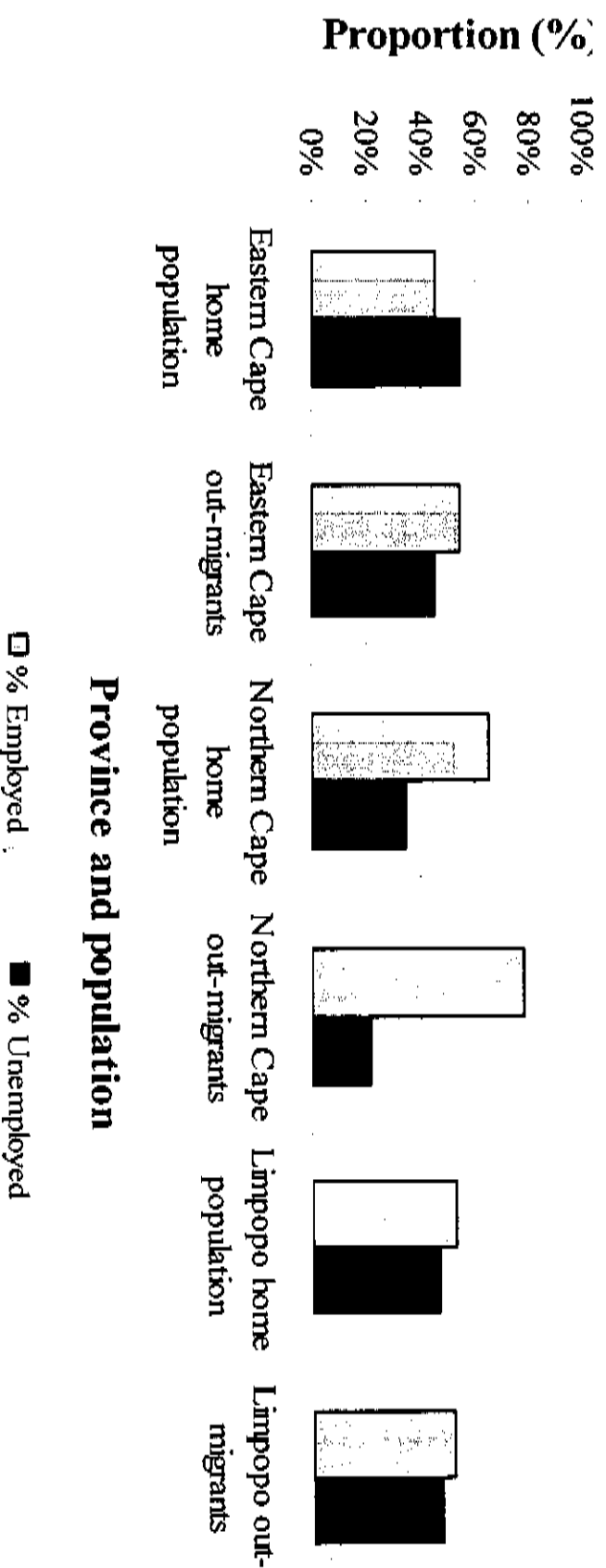
- **Large proportion of migrants are young adults, i.e. in ‘prime’**
- **Reason to suspect that migrants possess desirable attributes, esp. entrepreneurial**

Causes and economic impact of human migration

Economic implications

Sending provinces losing human capital? (2)

Employment and unemployment rates of the provincial home populations and the migrants



Causes and economic impact of human migration

Economic implications

Sending provinces losing human capital? (3)

- **Migrants do have better chances of securing employment than if they had remained at home**
 - **Movement is rational at individual level, even though arguably a 'zero-sum game' at macro level**
- **Unemployment rates in sending provinces remain very high**

Causes and economic impact of human migration

Economic implications

Sending provinces losing human capital? (4)

- **Evidence weak that migrants are especially entrepreneurial**
 - Only 7% of employed migrants are self-employed or employers, versus 9% among employed in sending provinces
 - Among migrants who are self-employed, 40% in wholesale, retail and personal services – i.e. low risk, easy entry activities
- **However, reason for concern re public service?**

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Economic implications

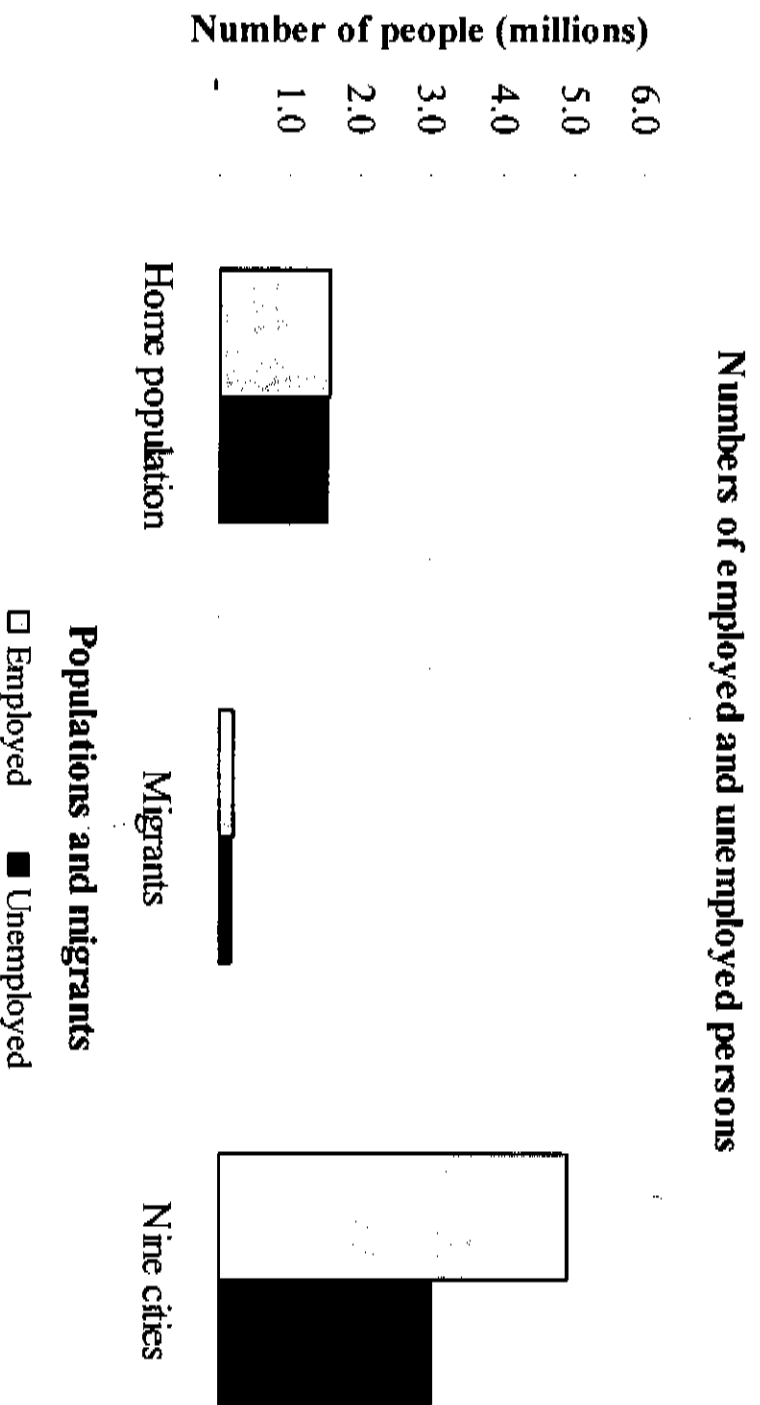
Sending provinces losing human capital? (5)

- Importance of remittances – most important sources of income for 27% of rural hh's in sending provinces (pensions – 35%, salaries & wages – 30%)
- Assumption: much of these remittances originate from urban receiving areas?
 - Flow of remittances more than compensates for loss of human capital?
- Return migration results in return of improved human capital?

Causes and economic impact of human migration

Economic implications

Migration compounds urban unemployment? (1)



Causes and economic impact of human migration
Economic implications

Migration compounds urban unemployment? (2)

- **Numbers of employed and unemployed migrants is small relative to those of the home population or in 9 cities**
- **If these migrants had not arrived and taken up jobs, unemployment rate in 9 cities would be 35% rather than 38% - a difference, but not a large one**

Causes and economic impact of human migration

Economic implications

**Conclusion in respect of economic
impact**

**Economic impact of migration is
largely benign, if not
advantageous**